

MINDA FINANCE LIMITED

30TH ANNUAL REPORT

2014-15

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Corporate Information

BOARD OF DIRECTORS

Nirmak Kumar Minda

Non-Executive Director

Anand Kumar Minda

Non-Executive Director

Pramod Kumar Garg

Whole Time Director

Mohan Chander Joshi

Independent Director

Seema Gupta

Independent Director

Statutory auditors

R. N. Saraf & Co.

Chartered Accountants

Internal Auditors

AJH & Co.

Chartered Accountants

Bankers

Punjab national bank

C-3/9, Prashant Vihar,

Delhi-110085

Chief Financial Officer

Shashi Shankar Malviya

Company Secretary

Dhiraj Aroraa

Corporate Office

37A, Rajasthan Udyog Nagar,

G.T. Karnal Road, Near Jahangirpuri

Metro Station, New Delhi- 110033

Registered Office

B-64/1, Wazirpur Industrial Area,

Delhi-110052

Registrar and share transfer agent

Link Intime India Pvt. Ltd.

44, Community Centre 2nd Floor,

Naraina Industrial Area, Phase-I,

Near PVR, Naraina,

New Delhi-110028

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Contact Person: Mr. Bharat Bhushan

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of your Company along with the audited statement of accounts for the year ended 31st March, 2015.

Financial Highlights

The Financial performance of your Company for the year ended 31st March, 2015 is summarized below:

Particulars	Year ended March 31, 2015 (Rs. in Lacs)	Year ended March 31, 2014 (Rs. in Lacs)
Revenue from Operations (Including Other Income)	59.46	35.62
Profit before Tax	10.30	6.51
Less: Tax Expense	3.47	4.57
Profit after Tax	6.83	1.94
Balance Brought Forward	8.41	6.86
Amount Available for appropriation	15.24	8.80
Statutory Reserve under RBI Act	1.37	0.39
Closing Balance in Statement of Profit & Loss	13.87	8.41

Review of Operations

During the year under review, the realization on account of revenue from operations and other income has been Rs. 59.46 lacs as compared to Rs.35.62 Lacs for the previous year and the Company has earned Profit after Tax of Rs.6.83 Lacs as compared to Profit after tax of Rs. 1.94 Lacs for the previous year.

Dividend

In view of the future expansion plans of the Company, the Board of Directors decided not to recommend any Dividend for the financial year ended March 31, 2015.

Transfer to Reserves

The Company is not mandatorily required to transfer its surplus to the General Reserve as no dividend has been proposed for the financial year 2014-15. An amount of Rs. 1.37 Lacs has been transferred to statutory reserves under RBI Act and the balance amount has been proposed to be retained in the Profit and Loss Account.

Deposits

During the financial year 2014-15, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

Share Capital

As on 31st March 2015, the paid up Equity Share Capital of the Company was Rs. 200.00 Lacs and the paid up Preference Share Capital of the Company was Rs. 2020.00 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Consolidated Accounts

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

Directors

Your Company has Five (5) Directors consisting of Two (2) Independent Directors, Two (2) Non-Executive Directors and a Whole Time Director (WTD) as on March 31, 2015.

a) Independent Directors

In terms of definition of 'Independence' of Directors as prescribed under Section 149(6) of the Companies Act, 2013 and based on the confirmation/ disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:

1. Mrs. Seema Gupta
2. Mr. Mohan Chander Joshi

b) Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 every listed company shall have at least one Woman Director on the Board of the Company. The Board of Directors at their meeting held on 14th August 2014 appointed Mrs. Seema Gupta (DIN 06944070), as an Additional Woman Director.

Mrs. Seema Gupta is a graduate in Science with extensive experience of working. She has got rich experience in handling administrative, business planning and business exploration matters. Her core specialization lies in accounting and administration.

Soft-spoken, pleasant mannered and ever smiling, Seema has made significant contribution to the development of the organizations where she has worked.

c) Appointments/ Resignations from the Board of Directors and Key Managerial Personnel

During the year under review, Mr. Pramod Kumar Garg was appointed as Whole Time Director of your Company for 5 (five) years commencing from 14th August, 2014 to 13th August 2019.

Mr. Pramod Kumar Garg is Commerce graduate from Delhi University, having vast experience in the areas of accounting, financing, planning and scheduling of the funds, monitoring and Administration. Prior to this he had worked at Senior Level Management position.

During the year under review, Mr. Anil Rustagi, Whole Time Director expressed his desire not to continue on the Board of Directors of your Company and resigned from the directorship in the Board Meeting held on 20th September, 2014. The Board places on

record its appreciation for his valuable contribution during his association with your Company.

In compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Seema Gupta was appointed as Independent Directors on the Board of Directors of your Company at the 29th AGM of your Company held on 30th September, 2014 to hold office up to 5 (five) consecutive years.

During the year under review, the Board of Directors designated Mr. Mohan Chander Joshi as Non- Executive Independent Director with effect from 12th November, 2014. Further, Mr. Mohan Chander Joshi is proposed to be appointed as the Non-Executive Independent Director of your Company at the ensuing AGM for a term of five (5) years. Your Directors recommend his appointment as a Non-Executive Independent Director of your Company.

During the year under review, the Board of Directors appointed Mr. Dhiraj Aroraa as Company Secretary with effect from 3rd September, 2014 and Mr. Shashi Shankar Malviya as Chief Financial Officer of the Company with effect from 30th September, 2014.

As on 31st March 2015, Mr. Pramod Kumar Garg, Whole Time Director; Mr. Shashi Shankar Malviya, Chief Financial Officer and Mr. Dhiraj Aroraa, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

d) Directors retiring by rotation

Mr. Pramod Kumar Garg, Whole Time Director is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible has offered himself for reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the 30th AGM of your Company. Your Directors recommend his re-appointment as Director of your Company.

e) Declaration by Independent Directors

In accordance with Section 149 (6) of Companies Act, 2013, the Independent directors have submitted the declaration of Independence, as required pursuant to section 149 (7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub section (6).

Meetings

A calendar of meetings is prepared and circulated in advance to the Directors.

During the year Ten Board Meetings and Four Audit Committee meetings were held after complying with the provisions of Companies Act, 2013. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Committees of the Board

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- ✓ Audit Committee
- ✓ Nomination and Remuneration Committee
- ✓ Stakeholders Relationship Committee

In compliance Section 177(8) of the Companies Act, 2013 it is informed that during the year under review, the Board has accepted all the recommendations of the Audit Committee.

Annual Evaluation of Board's Performance:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

Nomination & Remuneration Policy

During the year, the name of the "Remuneration Committee" has been renamed as "Nomination and Remuneration Committee", approved by the Board of Directors in its meeting held on 14th August, 2014. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Policy for Selection and Appointment of Senior Management, Directors and their remuneration.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the company. The code requires pre-clearance for dealing in the company's shares and prohibits the purchase or sale of company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company and during the period when the Trading Window is closed. The Board is responsible for implementation of the code.

The Board of Directors and all the designated employees have confirmed with the code.

Corporate Governance Report and Management Discussion & Analysis Report

In terms of SEBI Circular number CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, compliance with the provisions of Clause 49 shall not be mandatory for certain class of companies which inter-alia includes Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year. Since the paid up equity share capital and Net Worth of the Company as on 31st March 2015 does not exceed above prescribed limit, the provisions of Clause 49 of the Listing Agreement are not applicable on the Company.

Risk Management Policy

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

During the financial year 2014-15, the Board of Directors have approved the risk management policy and the risk appetite for your Company. There are no risks which in the opinion of the Board threaten the existence of your Company.

Internal Control Systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has appointed M/s AJH & Co. as the Internal Auditor of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee.

The Internal Audit department also assesses opportunities for improvement in business processes, systems and controls, provides recommendations, designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee.

Vigil Mechanism / Whistle Blower Policy

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, in compliance with the provisions of Section 177 (10) of the Companies Act, 2013, the Board of Directors have formulated a Whistle Blower Policy to deal with instance of unethical practices, fraud and mismanagement or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

No personnel of the Company were denied access to the Audit Committee.

Auditors and Auditors' Report:

a) Statutory Auditors

As per the provisions of section 139 of the Companies Act, 2013 read with Rules made there under, the members, in the 29th Annual General Meeting of the Company held on 30th September, 2014, had appointed M/s R N Saraf & Co., Chartered Accountants (Registration No. 002023N) as the statutory auditors of the Company till the conclusion of second consecutive Annual General Meeting of the Company, subject to ratification.

The Company has received a certificate from M/s R N Saraf & Co., Chartered Accountants, giving confirmation to the effect that their appointment, if made, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made there under. Accordingly, it is proposed to ratify the appointment of M/s R N Saraf & Co., as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM.

b) Internal Auditors

In accordance with the provisions of section 138 of the Companies Act, 2013, read with Rules made thereunder, M/s AJH & Co., Chartered Accountants were appointed as the Internal Auditors of the Company to conduct the internal audit of the functions and activities of the Company for the financial year 2014-15.

c) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Shailendra Kumar Roy, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed

herewith as "Annexure A" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

d) Explanations or comments by the Board on every qualification/reservation/ adverse remark or disclaimer made by the Statutory Auditor in his Audit Report and by the Secretarial Auditor in his Secretarial Audit Report

The Statutory Auditors have not given any qualification, reservation or made any adverse remarks or disclaimer in their Audit Report. Further, the Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are annexed herewith as "Annexure B" to this Report.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with related parties which may have a potential conflict with the interest of the Company.

All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board.

Since all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and there was no material related party transaction entered by the Company during the year as per Related Party Transactions Policy, no details are required to be provided in Form AOC-2 prescribed under clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The details of the transactions with related parties are provided in the notes to accompanying standalone financial statements.

Loans and Investments

Pursuant to Section 186(11) of the Companies Act, 2013, read with Rule 11(2) of Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantees given or securities provided or acquisition of securities by a Non Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Since your Company is a Non Banking Financial Company registered with the Reserve Bank of India, it is exempted under the said section from giving disclosure regarding the Loans or guarantees given or securities provided.

As regards investments made by the Company, the details of same are provided in Balance Sheet and under the Notes forming part of the Annual Accounts of the Company for the year ended March 31, 2015.

Subsidiaries, Joint Ventures and Associate Companies

During the year under review, Minda NexGenTech Limited has become Company's associate company.

The Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company is not being attached with the Balance Sheet of the Company. Salient features of Financial Statements of Subsidiary, Associates and Joint Ventures in the prescribed format, forms part of the Financial Statements. However, the financial statements of the subsidiary company are available on the website of the company. The Company will provide a copy of separate annual accounts in respect of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

Corporate Social Responsibility

During the year under, your Company does not meet the criteria laid under section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 pertaining to the constitution of the Corporate Social Responsibility Committee and other provisions covered there under regarding expenditure to be made on certain specified activities as a part of the Corporate Social Responsibility. Therefore the Company has not framed the Corporate Social Responsibility Committee/ Policy and has not incurred any expenditure thereon.

Conservation of Energy and Technology Absorption

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis.

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence have not been provided.

Foreign Exchange Earnings and Outgo

The Company has neither incurred any expenditure in foreign exchange nor earned any income in foreign exchange during the year under review.

Disclosure relating to remuneration of directors, key managerial personnel and particulars of employees

As required by provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014, there is no employee who is in receipt of a remuneration of Rs. 60,00,000/- per year, if employed for the whole year or Rs. 5,00,000/- per month, if employed for the part of the year.

The ratio of remuneration of each of the director to median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act 2013 read with rule 5(1) of Companies (Appointment and remuneration of managerial personnel) Rules, 2014 is annexed herewith as "Annexure C" to this report.